

services for international commercial activities, such as export of services or investment abroad, that are not covered by the Exporter Register. They would also include firms preparing to export, as well as firms that are exporting but are not the exporter of record in customs documentation (for example, firms selling through a wholesaler).

With respect to the types of trade promotion services accessed by exporters, market prospect information and key contacts searches are the most frequently requested types of assistance, which suggests that information cost is the key obstacle to foreign market entry that firms are seeking to overcome with TCS assistance (See Figure 1).

For the period examined, 2,270 TCS clients were matched to the Exporter Register on average per year. This implies that only about 5 percent of the total population of Canadian merchandise exporters accessed TCS services. This coincides with survey

work indicating a low level of awareness of the TCS within the Canadian business community.

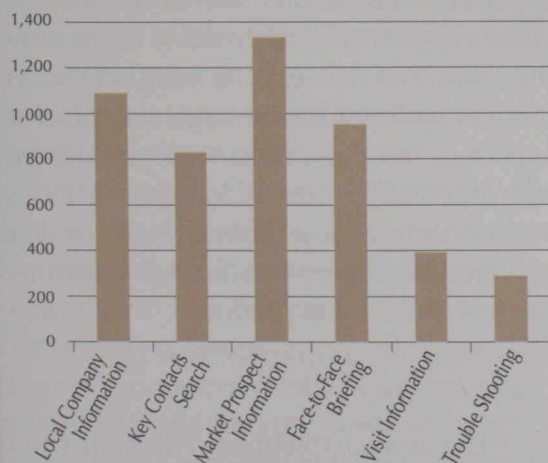
Characteristics of firms who seek TCS assistance

In addition to allowing for program evaluation, the matching of the TCS clients to Statistic Canada's Business and Exporter Registers allows for comparison of the TCS client population with the exporter population as a whole, to identify the profile of firms that are more likely to seek assistance.

SMEs comprise the vast majority of TCS clients. Over 50 percent of TCS clients are micro or small firms and some 30 percent are medium-sized firms.³ However, in the exporter population as a whole, only 3 percent of the micro-sized exporters use the TCS compared to almost 17 percent of the large-sized exporters. This means that the larger the firm, the more likely it is to seek TCS assistance (See Figure 2).

FIGURE 1

**TCS Clients by Service Type
(Annual Average)**

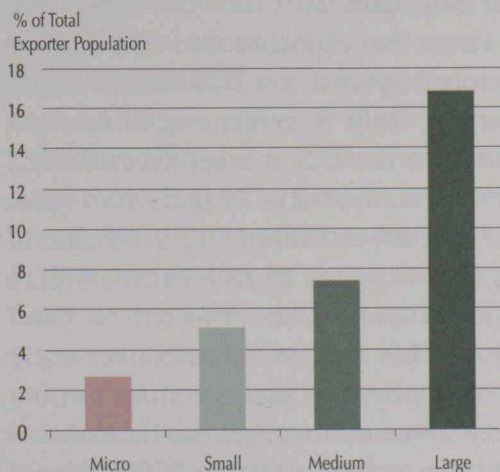


Source: Statistics Canada's Exporter and Business Register/Authors' calculations

Note: Each exporter can acquire more than one service.

FIGURE 2

**Propensity to Seek TCS Assistance
by Firm Size**



Source: Statistics Canada's Exporter and Business Register/Authors' calculations

³ The client exporter population is divided into four groups: the micro (1 to 10 employees), small (11 to 50 employees), medium (51 to 200 employees) and large (more than 200 employees).